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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 5340
INFO RUEHAC/AMEMBASSY ASUNCION 4118
RUEHBO/AMEMBASSY BOGOTA 2520
RUEHBU/AMEMBASSY BUENOS AIRES 1628
RUEHBR/AMEMBASSY BRASILIA 1048
RUEHCV/AMEMBASSY CARACAS 2207
RUEHPE/AMEMBASSY LIMA 6332
RUEHMN/AMEMBASSY MONTEVIDEO 4526
RUEHQT/AMEMBASSY QUITO 2545
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000766

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)
SUBJECT: CHILE MEDIA REPORT - AUGUST 11

Lead Story

1. The Public Ministry contradicted remarks made by Under Secretary of Interior Patricio Rosende who said that the radical indigenous Mapuche organizations Coordinadora Arauco Malleco (CAM) was no longer operative now that its leaders were in prison (El Mercurio, conservative, influential newspaper-of-record, 8/11).

UNASUR

2. At the end of the ceremony where Bachelet handed Unasur's pro tempore presidency to Rafael Correa, President Hugo Chavez spoke. He questioned U.S. military presence in the region, saying that it was his "moral obligation to warn that winds of war are blowing in the region" and convoked a summit of presidents. His intervention triggered remarks from all other presidents, except Bachelet. Rafael Correa criticized the position taken by countries such as Chile, stating that the Colombia-U.S agreement "is not a problem of one country's sovereignty. Let us not fool ourselves." Lula toned down the discussion by proposing a Unasur meeting with President Obama to discuss "our disapproval" over U.S. military presence (El Mercurio, 8/11).

3. Unasur leaders agreed to hold a meeting of presidents in Buenos Aires, which Argentine President Cristina Fernandez said President Alvaro Uribe should attend. Colombian government sources labeled Unasur's final statement "positive," because it did not include any reference to Bogota's agreement with the United States (El Mercurio, 8/11).

4. Colombian Vice President Francisco Santos said that with Ecuador as head of Unasur, the organization could "die," because Rafael Correa could use it for his own political needs or for those of his ideological allies, namely Chavez. Yesterday, Lula da Silva showed his first cards on this matter and said, "We will have to agree on Unasur's future. If not, we will be building a clubhouse of friends surrounded by enemies rather than an organization to promote integration" (El Mercurio, 8/11).

5. The Unasur ceremony was going smoothly for the Chilean delegation, because the final statement did not mention the presence of U.S. troops in Colombia. But then Chavez spoke. He said Colombia's agreement with the U.S. to use military bases "could become a tragedy" and called for a meeting of presidents to discuss the issue. Lula then requested a meeting of Unasur with Barack Obama "to discuss relations with Washington." By then the faces of the Chilean delegates had changed, because Chavez' call for a meeting of

presidents, which was immediately endorsed by Rafael Correa, undermined its proposal for a ministerial meeting. Chavez had once again succeeded in imposing his agenda (La Tercera, conservative, independent, 8/11).

¶6. The heads of state a Unasur set aside a special meeting of defense and foreign affairs ministers to discuss the U.S-Colombia talks in Quito on August 24 and another of heads of states in Buenos Aires. Lula da Silva called for a "thorough debate" on relations with Washington, admitting that "the concern generated by this issue upsets me" (La Nacion, 8/11).

U.S.-Related News

¶7. Papa Joe's, the third largest pizza chain in the United States, is looking for local investors to operate its franchise (La Tercera, 8/11).

¶8. Last week U.S. Secretary of Commerce Gary Locke attended a breakfast at the residence of Chile's ambassador to the U.S., Jose Goni, to promote the participation of countries in the Competitiveness Forum for the Americas that will be held in Santiago September 28-29 (El Mercurio, 8/11).

Honduras

¶9. President Obama labeled demands for stronger U.S. intervention in Honduras a "hypocrisy." In a press conference in Guadalajara, Obama said, "If these critics think that it's appropriate for us to suddenly act in ways that in every other context they consider inappropriate, then I think that maybe there's some hypocrisy n their approach to U.S.-Latin America relations" (La Tercera, 8/11).
SIMONS